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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE
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TO: Deputy Director (Intelligence)

SUBJECT: Current Chinese Communist Propaganda on Formosa

On three occasions since 9 July, People's Daily, official newspaper of the Chinese Communist party, has denounced American "invasion and occupation" of Formosa. The most recent editorial, on 16 July, warns the United States of the possible consequences of concluding a bilateral security pact with the Chinese Nationalist government.

The principal charges in all three editorials have been that: (1) the United States invaded and occupied Formosa at the beginning of the Korean war and that American activities there since have constituted "flagrant aggression and provocation" against the Peiping regime; (2) the United States has been scheming to use Formosa as a base from which to extend aggression to the continent of Asia; (3) the United States 7th Fleet has shielded Formosa and American military personnel are advising and assisting Nationalist armed forces; (4) the United States is dispatching spies and saboteurs from Formosa to the mainland, is organizing raids along the coast, and is committing acts of piracy against merchant vessels; (5) the United States is "still keeping" the Nationalist government in the United Nations in defiance of the "legitimate rights" of Peiping; (6) the United States is now considering the extension of 7th Fleet responsibility to certain offshore islands; and (7) the United States is now proposing to "legalize its crimes" by concluding a bilateral security pact with the Nationalist government.

The 16 July editorial cites Chou En-lai's statement of June 1950, issued immediately after American "neutralization" of Formosa, to the effect that the Chinese people would "fight to the end single-mindedly to liberate Taiwan from the grasp of the American aggressors." The current editorial states that, if the United States "dares" to conclude a bilateral security pact with the Nationalist government, the United States would be adopting a position of "permanent hostility" to the Chinese people and would "necessarily be responsible for the protracted grave consequences" of such a situation. The editorial concludes

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with the statement that the Chinese people must "strengthen their preparations to crush all attacks and provocations by the aggressors."

The only new elements in these charges are the assertions, based on remarks of General Van Fleet when leaving Formosa recently, that the United States is considering (1) extension of 7th Fleet responsibility to certain offshore islands and (2) conclusion of a bilateral security pact with the Nationalist government. It seems likely that the current spate of propaganda, more intense than at any time since 1950, is directed at preventing both of these possible developments.

Peiping's current assertions--that the United States is engaged in active "aggression" against Communist China by its "occupation" of Formosa, that conclusion of a bilateral security pact would entail "grave consequences," and that the Chinese will "strengthen their preparations"--are not necessarily ominous. The charge of "aggression" has been made periodically for more than four years. The threat of "grave consequences" commits Peiping to no definite course of action. Finally, despite Chou's claim in 1950 that the Chinese would fight "single-mindedly" for control of Formosa, the Communists have not in fact made any move against it in the face of the American commitment to the island's defense.

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